1	2	3	4	5
18.	Sikkim	2	—	21.01.86(P) 05.01.89(P)
	Total	64	19	

P...Post of Permanent Judge
A... Post of Additional Judge

Deposits Collected by Commercial Banks in Kerala

375. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) what is the total deposits collected by commercial banks in Kerala during the last 5 years, yearwise till 1.1.90;

(b) what is the total amount of advance extended against it during the above period, yearwise;

(c) whether Government are considering to increase the credit-deposit ratio; and

(d) if so, by when it will be implemented and the rate at which it is contemplated to be increased?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b). As per the latest data available from Reserve Bank of India, Aggregate Deposits & outstanding advances of all scheduled commercial banks in the State of Kerala as at the end of last Friday of December for last five years is as under:—

(Rs. in crores)

	Deposits	Advances
December 1985	3424.22	2174.75
December 1986	4138.46	2529.81
December 1987	4760.15	3039.45
December 1988	5449.09	3474.75
December 1989	6099.27	3849.94

(c) and (d). Banks have already been instructed by Reserve Bank of India to achieve 60% C-D ratio in respect of their rural and semi-urban branches separately and there is no proposal to revise it further.

Abolition of export duty on pepper

376. SHRI E. BALANANDAN: Will the Minister of COMMERCE be pleased to state:

(a) whether any request has been received from the pepper growers for abolition of export duty on pepper; and

(b) if so, what action Government have taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN): (a) and (b). There is at present no export duty on pepper.

Promotion of export from the Free Trade Zone in Cochin

377. SHRI E. BALANANDAN: Will the Minister of COMMERCE be pleased to state:

(a) whether any scheme is being considered by Government for promotion of export from the Free Trade Zone in Cochin; and

(b) if so, what are the details thereof?

THE MINSITER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN). (a) Units in Cochin Export Processing Zone, like other such zones, enjoy infrastructural facilities and a whole range of concessions-incentives for promotion of exports such as duty free imports of

capital goods, raw materials and consumables, unrestricted foreign equity participation, corporate tax holiday for a period of 5 years, Cash Compensatory Supppрt etc. Working of the Export Processing Zones has been under constant review by the Government. No separate scheme for promotion of exports from the Cochin Export Processing Zone is under consideration.

(b) Does not arise.

Loss to Kerala Towards Sales Tax Revenue

378. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that Kerala is suffering an annual loss of over 100 crores in sales tax revenue consequents on the amendment made to the Central Sales Tax Act in 1976, exempting from State taxation the penultimate sale or purchase in the course of import or export;

(b) whether Government are also aware that the loss in the current year would work out to over Rs. 100 crores and the total loss suffered so far would amount to over Rs. 500 crores;

(c) whether Government have gone back on the solemn assurance given by the late Prime Minsiter that Kerala would be suitably compensated for its loss on this account;

(d) whether Government propose to compensate the loss suffered by Kerala taking into account the fact that Kerala contributes in a big way to the country's export earnings; and

(e) if so, what are the details thereof?

THE DEPUTY MINSITER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (e). The Government of Kerala have represented to the Central Government that the total loss sustained by State Government during the past decade on account of amendment in 1976 of the Central Sales Tax Act, 1956 works out to over Rs. 500 crores and the same be compensated by the Central Government. Sub-section (3) of Section 5 of the Central Sales Tax Act, 1956 inserted by Section 3 of the Central Sales Tax (Amendment) Act, 1976 provides that the last sale or purchase of any goods preceding the sale or purchase occasioning the export of those goods out of the territory of India shall also be deemed to be in the course of such export, if such last sale or purchase took place after, and was for the purpose of complying with, the agreement or order for or in relation to such export. Therefore, the amendment is applicable only in respect of exports.

After the amendment of the Central Sales Tax Act, 1956 the State Government had been raising the question of compensation for the loss of sales tax revenue resulting from the amendment. The Central Government have consistently taken the view that it cannot accept the principle of compensation and that the problem arising from the possible loss of sales tax revenue has to be dealt with as a part of the wider problem of gap in the resources for financing the State's plan. This is in conformity with the approach adopted by the Central Government towards other States also.

Assigning of Mini Steel Plants to Private Sector

379. SHRI TALARI MANOHAR: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that Government have permitted the private sector to set up mini steel plants;

(b) if so, what are the details in this regard, and

(c) what is the quantity of steel produced by such units so far?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTER OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) Yes, Sir.

(b) and (c) There are 179 licensed mini steel plants. Production of crude steel from the mini steel plants was 2.13 million tonnes during the year 1989-90.